

Alstons (Upholstery) Limited

Report and Financial Statements

Period Ended

31 December 2015

Company Number 00491171

THURSDAY



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COMPANIES HOUSE

Alstons (Upholstery) Limited

Company Information

Directors	P Grindrod T H Cramphorn A S Kennaugh C Jangvijitkul C Srivikorn P Srivikorn W Varavarn Z C Dickens
Company secretary	T H Cramphorn
Registered number	00491171
Registered office	Albro Works Gosbecks Road Colchester Essex CO2 9JU
Independent auditor	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

Alstons (Upholstery) Limited

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Alstons (Upholstery) Limited

Strategic report For the Period Ended 31 December 2015

Introduction

The principal activity of the company during the year was the manufacture and marketing of upholstered furniture.

Business review

The company maintained its sales growth over previous periods on a like for like basis. Gross margin return improved slightly and operating profit improved over the result of the previous year that was impacted by exceptional cost of £0.96m due to funding the closure of the final salary scheme.

The principal activity of the subsidiary undertaking Alstons (Cabinets) Limited, is the manufacture and supply of wooden framed furniture.

The company continues to monitor the performance of the business with a range of proven and well established key performance indicators (KPI's) including sales quantities, sales value, gross margin and retained profit. The company working capital and cashflow is managed effectively and cashflow forecasts are integrated to its profit forecasts.

The company continues to win industry awards for quality and customer service and this combined with its continual investment program in research and development of the product offering allows the company to remain competitive in the sector. The Directors aim to show continued sales growth and performance in the new financial year following its acquisition by TCMC Furniture Limited on 19th June 2015.

The directors recognise that the business is as good as its employees and appreciate the level of hard work and commitment shown by them. The group is an equal opportunities employer.

The directors expect to see another positive year ahead with improved trading results.

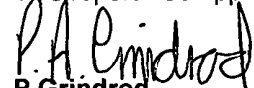
Principal risks and uncertainties

Aside from the generic risks of exposure to economic, regulatory and political risk in each of our markets, the principal risks facing the Company continue to be exposure to the Euro exchange rate fluctuation. The Company mitigates this risk as far as possible through the use of currency forward contracts with its risk strategy broadly to make neither a profit nor a loss from exposure to currency and interest rate risks.

The company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through internal credit control procedures and the company carries credit insurance for the debtor book.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

This report was approved by the board on


P Grindrod
Director

07/07/2016 and signed on its behalf.

Alstons (Upholstery) Limited

Directors' report For the Period Ended 31 December 2015

The company has shortened its accounting reference date to 31 December 2015, to be coterminous with the wider group. For this reason comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

The directors present their report and the financial statements for the nine month period ended 31 December 2015.

The principal activity of the Company, business review and future developments are explained in the strategic report on page 1.

Results and dividends

The profit for the period, after taxation, amounted to £2,538,000 (year to 31 March 2015 -£1,581,000).

During the year dividends of £2,346,000 were declared and paid (year to 31 March 2015 - £5,820,000).

Directors

The directors who served during the period were:

D H Alston (resigned 19 June 2015)
J P Alston (resigned 19 June 2015)
P Grindrod
T H Cramphorn
A S Kennaugh
C Jangvijitkul (appointed 19 June 2015)
C Srivikorn (appointed 19 June 2015)
P Srivikorn (appointed 19 June 2015)
W Varavarn (appointed 19 June 2015)
Z C Dickens (appointed 19 June 2015)

Financial risk management and instruments

The Company, when deemed appropriate, enters into forward exchange contracts to purchase currency and reduce its exposure to exchange rate fluctuations. The Company's cash flow risk in respect of forward currency purchases is managed effectively as it aims to pay suppliers in accordance with their stated terms, matching the maturity of the currency purchases.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

Credit risk

The company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through internal credit control procedures. The company carries credit insurance for the debtor book.

Market prices

The company, alongside its competitors, is exposed to fluctuation in certain purchased materials and manages this risk, so far as is possible, by having long term relationships with key suppliers that aim to bring a high degree of stability and certainty to material costs.

Alstons (Upholstery) Limited

Directors' report For the Period Ended 31 December 2015

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the period end.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, details of its financial instruments and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report. The company has sufficient financial resources. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the difficult trading conditions. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Research and development activities

The company is actively engaged in product research and development in order to maintain its competitiveness.

Auditors

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

07/07/2016

and signed on its behalf.



P Grindrod
Director

Alstons (Upholstery) Limited

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Alstons (Upholstery) Limited

Independent Auditor's report to the members of Alstons (Upholstery) Limited

We have audited the financial statements of Alstons (Upholstery) Limited for the nine month period ended 31 December 2015 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Alstons (Upholstery) Limited

Independent Auditor's report to the members of Alstons (Upholstery) Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Timothy Taylor (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Ipswich
United Kingdom

8 JULY 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Alstons (Upholstery) Limited

Statement of comprehensive income For the Period Ended 31 December 2015

		9 months ended 31 December 2015 £000	Year ended 31 March 2015 £000
	Note		
Turnover		20,616	28,293
Cost of sales		(14,633)	(20,341)
Gross profit		5,983	7,952
Distribution costs		(2,363)	(3,498)
Administrative expenses		(1,497)	(2,273)
Exceptional administrative expenses		-	(960)
Other operating income		5	111
Fair value movements		(12)	(294)
Operating profit		2,116	1,038
Income from shares in group companies		527	705
Interest receivable and similar income	8	6	9
Interest payable and expenses	9	(6)	(7)
Profit before tax		2,643	1,745
Tax on profit	10	(105)	(164)
Profit for the period		2,538	1,581
Other comprehensive income		-	(93)
Other comprehensive income for the period		-	(93)
Total comprehensive income for the period		2,538	1,488

Alstons (Upholstery) Limited
Registered number:00491171

Statement of financial position
As at 31 December 2015

	Note	31 December 2015 £000	31 March 2015 £000
Fixed assets			
Tangible assets	14	3,470	3,536
Investment Property	15	-	125
Investments	16	807	832
		<u>4,277</u>	<u>4,493</u>
Current assets			
Stocks	17	1,495	1,586
Debtors: Amounts falling due within one year	18	2,476	4,716
Cash at bank and in hand		2,889	1,130
		<u>6,860</u>	<u>7,432</u>
Creditors: Amounts falling due within one year	19	(2,705)	(3,761)
		<u>4,155</u>	<u>3,671</u>
Net current assets		<u>8,432</u>	<u>8,164</u>
Total assets less current liabilities			
Provisions for liabilities			
Deferred tax		(141)	(129)
		<u>(141)</u>	<u>(129)</u>
Net assets		<u><u>8,291</u></u>	<u><u>8,035</u></u>

Alstons (Upholstery) Limited
Registered number:00491171

Statement of financial position (continued)
As at 31 December 2015

Capital and reserves

Called up share capital	23	5	5
Share premium account		1	1
Revaluation reserve		354	354
Other reserves		7	7
Profit and loss account		7,924	7,668
		<u>8,291</u>	<u>8,035</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



07/07/2016

T H Cramphorn
Director

The notes on pages 12 to 39 form part of these financial statements.

Alstons (Upholstery) Limited

Statement of changes in equity As at 31 December 2015

	Share capital £000	Share premium £000	Revaluation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 April 2015	5	1	354	7	7,668	8,035
Comprehensive income for the period						
Profit for the period	-	-	-	-	2,538	2,538
Total comprehensive income for the period	-	-	-	-	2,538	2,538
Contributions by and distributions to owners						
Dividends: Equity capital	-	-	-	-	(2,346)	(2,346)
Share based payments	-	-	-	-	59	59
Capital contribution	-	-	-	-	5	5
Total contributions by and distributions to owners	-	-	-	-	(2,282)	(2,282)
At 31 December 2015	5	1	354	7	7,924	8,291

Alstons (Upholstery) Limited

Statement of changes in equity As at 31 March 2015

	Share capital £000	Share premium £000	Revaluation reserve £000	Investment property revaluation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 April 2014	5	1	354	1,100	7	10,873	12,340
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	1,581	1,581
Adjustment to restrict defined benefit pension scheme asset	-	-	-	-	-	(93)	(93)
Total comprehensive income for the year	-	-	-	-	-	1,488	1,488
Contributions by and distributions to owners							
Dividends: Equity capital	-	-	-	-	-	(5,820)	(5,820)
Transfer to/from profit and loss account on disposal of investment property	-	-	-	-	-	1,100	1,100
Disposal of investment property	-	-	-	(1,100)	-	-	(1,100)
Share based payment	-	-	-	-	-	27	27
Total contributions by and distributions to owners	-	-	-	(1,100)	-	(4,693)	(5,793)
At 31 March 2015	5	1	354	-	7	7,668	8,035

The notes on pages 12 to 39 form part of these financial statements.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

1. Accounting policies

1.1 General information

The principal activity of Alstons (Upholstery) Limited is the manufacture and marketing of upholstered furniture.

The company is a private company limited by shares and is incorporated in England and Wales.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 29.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of TCMC Furniture Limited as at 31 December 2015 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

1.4 Consolidation of financial statements

The financial statements contain information about Alstons (Upholstery) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

1. Accounting policies (continued)

1.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied which is usually when the goods are delivered to the buyer:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividends

Dividend revenue (income from shares in group undertakings) is recognised when the Company's right to receive payment is established.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

1.6 Rental income

Rental income is recognised on a monthly basis. Adjustments are made at the period end for any rental income invoiced or received that relates to future periods and for any rental income due but not yet invoiced. The cost of incentives given by the company in respect of property rental operating leases is allocated over the lease term or a shorter period ending on a date from which it is expected the prevailing market rental will be payable. The allocation is made on a straight-line basis.

1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	-	25 years
Plant and machinery	-	5 - 10 years
Motor vehicles	-	4 - 5 years
Computer equipment	-	3 - 7 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

The company applied the transitional arrangements of section 35 of FRS 102 and used a previous valuation as deemed cost for freehold land and buildings. The buildings are being depreciated from valuation date. Further information is provided in the fixed asset note.

1.8 Revaluation of tangible fixed assets

As permitted by the transitional provisions of Financial Reporting Standard 102, the company has elected to use a previous revaluation of freehold land and buildings as deemed cost. A revaluation of the land and buildings on 31 March 1996 has been used as deemed cost.

Revaluation gains and losses are recognised in the Statement of Other Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

1.9 Operating leases: Lessor

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.10 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the income statement.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

1. Accounting policies (continued)

1.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, which have been classified as fixed asset investments as the company intends to hold them on a continuing basis are remeasured to market value at each statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Investments in listed company shares are remeasured to market value at each statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

1. Accounting policies (continued)

1.15 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within cost of sales.

1.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.17 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement is charged with fair value of goods and services received.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

1. Accounting policies (continued)

1.18 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Defined benefit pension plan

The company operated a defined benefit pension scheme. From 1 April 1998, the members of the fund who were active at that date ceased to accrue further benefits and became deferred members.

On 31 March 2015 the liabilities of the defined benefit pension scheme were taken on by an insurance company. At this date, all members transferred out and all assets transferred to the insurance company.

In accordance with FRS 102 Section 28 'Employee Benefits', for the defined benefit scheme the amounts charged to the profit and loss account are the current service cost and gains and losses on the settlements and curtailments. An amount which represents the expected increase in the present value of scheme liabilities net of the expected return on scheme assets is included within interest receivable or payable as appropriate.

Actuarial gains and losses are recognised immediately in the statement of total comprehensive income. These consist of differences between actual and expected returns on scheme assets during the year, experience gains and losses on scheme liabilities and the impact of any changes in actuarial assumptions. Pension liabilities are recognised on the balance sheet and represent the difference between market value of the scheme assets and the present value of the scheme liabilities at the balance sheet date, net of deferred taxation. Scheme liabilities are determined on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on AA rated corporate bonds. Any net pension scheme asset is, where required, restricted in its recognition in accordance with FRS 102 Section 28 'Employee Benefits'.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

1. Accounting policies (continued)

1.19 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.20 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

1.21 Research and development

Research and development expenditure is written off in the year in which it is incurred.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets

Determine whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Financial assets

Determine whether debtors are recoverable. Consideration is made of any objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including observable data that come to the attention of the company or other factors which may also be evidence of impairment, including significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in respect of that financial asset.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that: The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

3. Analysis of turnover

The whole of the turnover is attributable to the provision of goods and services which fall within the company's principal activity.

Analysis of turnover by country of destination:

	9 months ended 31 December 2015 £000	Year ended 31 March 2015 £000
United Kingdom	20,211	27,645
Rest of Europe	405	648
	<u>20,616</u>	<u>28,293</u>

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

4. Other operating income

	9 months ended 31 December 2015 £000	Year ended 31 March 2015 £000
Net rents receivable	5	111

5. Operating profit

The operating profit is stated after charging/(crediting):

	9 months ended 31 December 2015 £000	Year ended 31 March 2015 £000
Research & development charged as an expense	364	495
Depreciation of tangible fixed assets	474	611
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	9	9
Exchange differences	(382)	(307)
Defined contribution pension cost	72	210
Operating leases	9	88

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

6. Employees

Staff costs, including directors' remuneration, were as follows:

	9 months ended 31 December 2015 £000	Year ended 31 March 2015 £000
Wages and salaries	4,626	6,087
Social security costs	464	668
Cost of defined contribution scheme	72	210
	<u>5,162</u>	<u>6,965</u>

The average monthly number of employees, including the directors, during the period was as follows:

	9 months ended 31 December 2015 No.	Year ended 31 March 2015 No.
Production and distribution	156	157
Administration	40	40
	<u>196</u>	<u>197</u>

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

7. Directors' remuneration

	9 months ended 31 December 2015 £000	Year ended 31 March 2015 £000
Directors' emoluments	564	820
Company contributions to defined contribution pension schemes	37	132
	<u>601</u>	<u>952</u>

During the period retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

During the period retirement benefits were accruing to no directors (2015 - 1) in respect of defined benefit schemes.

The highest paid director received remuneration of £128,000 (2015 - £186,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £30,000 (2015 - £NIL).

The company was part of a group equity-settled share based remuneration scheme for certain directors, a United Kingdom tax authority approved scheme. Under the scheme, the option over shares in the previous parent company, Alstons Furniture Group Limited, vested if Alstons Furniture Group Limited received an offer or negotiated a share sale and purchase agreement under which the purchaser would obtain control of the Company within 10 years of the date of grant. The options would lapse if the individual left prior to satisfying this criterion.

The number of share options granted and outstanding at 31 March 2015, with a fair value granted of £84,421, were over 230,392 Ordinary B shares and 125 Ordinary C shares in the previous parent company, Alstons Furniture Group Limited. The exercise price of options outstanding at 31 March 2015 was £0.001. During the period to 31 December 2015, all of the options vested. At 31 December 2015 there were no share options in place or outstanding.

The options were equity based payments and the fair value was determined using generally accepted valuation methodology, to estimate what the price of the options would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties.

A cost of £59,000 (year to 31 March 2015: £27,450) was recognised in the profit and loss in the prior year in respect of these share options, all of which vested in the period. The share options in place were for shares in the previous parent company, Alstons Furniture Group Limited, but the employee services were provided in Alstons (Upholstery) Limited, hence the costs were recognised in Alstons (Upholstery) Limited and represented a capital contribution from the previous parent company.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

8. Interest receivable

	9 months ended 31 December 2015 £000	Year ended 31 March 2015 £000
Other interest receivable	6	9

9. Interest payable and similar charges

	9 months ended 31 December 2015 £000	Year ended 31 March 2015 £000
Bank interest payable	6	7

10. Taxation

	9 months ended 31 December 2015 £000	Year ended 31 March 2015 £000
Corporation tax		
Current tax on profits for the year	92	130
Adjustments in respect of previous periods	-	(22)
Total current tax	92	108
Deferred tax		
Origination and reversal of timing differences	25	56
Changes to tax rates	(12)	-
Total deferred tax	13	56
Taxation on profit on ordinary activities	105	164

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

10. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (year to 31 March 2015 - 21%). The differences are explained below:

	9 months ended 31 December 2015 £000	Year ended 31 March 2015 £000
Profit on ordinary activities before tax	2,643	1,745
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (31 March 2015 - 21%)	529	366
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	23	73
Capital allowances for period/year in excess of depreciation	13	(52)
Income not taxable for tax purposes	(28)	33
Adjustments to tax charge in respect of prior periods	23	(22)
Other permanent differences	(234)	-
Short term timing difference leading to an increase (decrease) in taxation	-	7
Movement in deferred tax	-	56
Dividend received from subsidiary	(105)	-
Non-taxable income	-	(148)
Adjustment to deferred tax for average rate	(16)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(18)	(130)
Other differences leading to an increase (decrease) in the tax charge	(8)	(19)
Group relief	(74)	-
Total tax charge for the period/year	105	164

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Other comprehensive income

Other comprehensive income comprises the adjustment to restrict the defined benefit pension scheme asset.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

12. Dividends

	31 December 2015 £000	31 March 2015 £000
'E' Ordinary shares		
Dividends paid on equity capital	2,346	2,320
'D' Ordinary shares		
Dividend in specie	-	3,500
	<u>2,346</u>	<u>5,820</u>

13. Exceptional items

	31 December 2015 £000	Year ended 31 March 2015 £000
Loss on settlement of defined benefit pension scheme	-	840
Legal, professional and related costs in relation to defined benefit pension scheme settlement	-	120
	<u>-</u>	<u>960</u>

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

14. Tangible fixed assets

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost or valuation				
At 1 April 2015	3,190	2,325	2,642	8,157
Additions	-	39	548	587
Disposals	-	(304)	(399)	(703)
	<u>3,190</u>	<u>2,060</u>	<u>2,791</u>	<u>8,041</u>
At 31 December 2015				
Depreciation				
At 1 April 2015	1,515	1,556	1,550	4,621
Charge owned for the period	104	102	269	475
Disposals	-	(300)	(225)	(525)
	<u>1,619</u>	<u>1,358</u>	<u>1,594</u>	<u>4,571</u>
At 31 December 2015				
Net book value				
At 31 December 2015	<u>1,571</u>	<u>702</u>	<u>1,197</u>	<u>3,470</u>
At 31 March 2015	<u>1,675</u>	<u>769</u>	<u>1,092</u>	<u>3,536</u>

The company applied the transitional arrangements of section 35 of FRS 102 and used a previous valuation as deemed cost for freehold land and buildings. The buildings are being depreciated from valuation date. Analysis of the land and buildings valued at the date of transition to FRS 102 using the deemed cost exemption are given below.

The land and buildings were revalued on 31 March 1996 from their previous net book value of £428,234 to a market value of £800,000. Included in this valuation is freehold land at valuation of £400,000, and at a cost £262,169 which is not depreciated. Hence the Land and buildings were revalued in March 1996, the cost of the asset was increased by £800,000 to £3,190,000.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

14. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	31 December 2015 £000	31 March 2015 £000
Cost	2,818	2,817
Accumulated depreciation	(1,432)	(1,281)
Net book value	1,386	1,536

15. Investment property

	Freehold investment property £000
At 1 April 2015	125
Disposals	(125)
At 31 December 2015	-

The 31 March 2015 valuations were made by 'Your Ipswich' Estate Agents, on an open market value for existing use basis.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

16. Fixed asset investments

	Investments in subsidiary companies £000	Other fixed asset investments £000	Total £000
Cost or valuation			
At 1 April 2015	807	25	832
Disposals	-	(25)	(25)
At 31 December 2015	807	-	807
Net book value			
At 31 December 2015	807	-	807
At 31 March 2015	807	25	832

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

16. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Alstons (Cabinets) Limited	England and Wales	Ordinary	100 %	A company involved in the manufacture of furniture

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves 31 December 2015 £000	Profit/(loss) 31 December 2015 £000
Alstons (Cabinets) Limited	822	628
	<u>822</u>	<u>628</u>

17. Stocks

	31 December 2015 £000	31 March 2015 £000
Raw materials and consumables	1,064	1,112
Work in progress (goods to be sold)	191	269
Finished goods and goods for resale	240	205
	<u>1,495</u>	<u>1,586</u>

Stocks recognised as an expense in the period were £10,658,183 (year to 31 March 2015: £15,052,448). Impairment losses recognised or (reversed) through cost of sales were £20,000 (year to 31 March 2015: £(24,651)).

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

18. Debtors

	31 December 2015 £000	31 March 2015 £000
Due within one year		
Trade debtors	2,167	4,487
Amounts owed by group undertakings	-	72
Other debtors	12	15
Prepayments and accrued income	285	142
Financial instruments	12	-
	<u>2,476</u>	<u>4,716</u>

19. Creditors: Amounts falling due within one year

	31 December 2015 £000	31 March 2015 £000
Trade creditors	1,289	1,884
Corporation tax	122	80
Taxation and social security	749	792
Other creditors	48	134
Accruals and deferred income	497	707
Financial instruments	-	164
	<u>2,705</u>	<u>3,761</u>

20. Financial instruments

The company has financial assets / liabilities measured at fair value through profit and loss account comprising forward foreign currency contracts.

At 31 December 2015 the company recognised an asset of £12,203 (31 March 2015: liability of £163,271).

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

21. Deferred taxation

	Deferred tax £000
At 1 April 2015	129
Charged to the profit or loss	12
At 31 December 2015	141

The provision for deferred taxation is made up as follows:

	31 December 2015 £000	31 March 2015 £000
Accelerated capital allowances	141	129

22. Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Revaluation reserve

This reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset.

Investment property revaluation reserve

This reserve is used to record increases in the fair value of investment property and decreases to the extent that such decrease relates to an increase on the same asset.

Profit and loss account

This reserve records the cumulative distributable reserves of the entity.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

23. Share capital

	31 December 2015 £000	31 March 2015 £000
Allotted, called up and fully paid		
4,106,600 'E' Ordinary shares shares of £0.001 each	4	4
1,026,600 'D' Ordinary shares shares of £0.001 each	1	1
	<hr/>	<hr/>
	5	5
	<hr/>	<hr/>

The ordinary 'D' and 'E' shares have full voting rights and rights to receive notice of and attend meetings of the shareholders of the company. The 'D' shares have no economic rights to dividends or other participation in any distribution. The 'E' shares have full rights in this regard.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

24. Pension commitments

Defined contribution scheme

A defined contribution scheme was established in April 1998, the assets of which are held separately from those of the company. The pension cost charge for the period represents contributions payable by the company to the fund.

Contributions payable to the scheme during the period amounted to £72,235 (year to 31 March 2015: £210,485). Contributions of £320 (year to 31 March 2015: £Nil) were outstanding at the end of the period.

Defined benefit scheme

Until October 1997 the company operated a defined benefit pension scheme, which provided benefits based on final pensionable salary. The assets of the scheme were held separately from those of the company. From October 1997, the members of the fund who were active at that date ceased to accrue further benefits and became deferred members.

On 31 March 2015 the liabilities of the defined benefit pension scheme were taken on by an insurance company. At this date, all members transferred out and all assets transferred to the insurance company.

The date of the latest full valuation was performed by a qualified actuary, who is not an employee or officer of the group, was on 1 April 2011.

The most recent actuarial valuation showed that the market value of the scheme's assets was £2,157,000 at 1 April 2011 and that the actuarial value of those assets represented 83% of the benefits that had accrued to members, after allowing for expected future increases in earnings, on the basis prescribed by the PPF at the valuation date. The scheme deficit of £448,000 was calculated by reference to the 2004 Pensions Act and Funding Regulations for occupational schemes 2005 and a Schedule of Contributions has been established to reduce the deficit.

A contribution of £933,000 was made to the scheme during the prior year by the company.

The amounts recognised in profit or loss are as follows:

	31 December 2015 £000	31 March 2015 £000
(Losses)/Gains on curtailments and settlements	-	840
Total	-	840

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

24. Pension commitments (continued)

Reconciliation of fair value of plan liabilities were as follows:

	31 December 2015 £000	31 March 2015 £000
Opening defined benefit obligation	-	2,475
Transfer of obligation	-	(2,475)
	<u>-</u>	<u>-</u>
Closing defined benefit obligation	-	-

Reconciliation of fair value of plan assets was as follows:

	31 December 2015 £000	31 March 2015 £000
Opening fair value of scheme assets	-	2,815
Contributions by employer	-	933
Transfer of scheme assets	-	(3,748)
	<u>-</u>	<u>-</u>
	-	-

The cumulative amount of actuarial gains and losses recognised in the statement of other comprehensive income was £Nil (2015 - £327,000).

The company expects to contribute £NIL to its Defined Benefit Pension Scheme in 2016.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

24. Pension commitments (continued)

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	9 months to 31 December 2015 £000	Year to 31 March 2015 £000	2014 £000	2013 £000
Defined benefit obligation	-	-	(2,475)	(2,132)
Scheme assets	-	-	2,815	-
Surplus	-	-	340	(2,132)
Experience adjustments on scheme liabilities	-	-	-	(26)
Experience adjustments on scheme assets	-	-	79	156

25. Commitments under operating leases

At 31 December 2015 the company had minimum lease payments under non-cancellable operating leases as follows:

	31 December 2015 £000	31 March 2015 £000
Not later than 1 year	2	2
Total	2	2

26. Other financial commitments

At the period end, the company was committed to purchasing €950,000 (31 March 2015: €3,000,000) under forward contracts. At the period end, the company had additional derivative foreign currency options to purchase €750,000 to €1,125,000 (2015: Nil) depending upon the exchange rates at the time.

At the period end the company was committed to capital expenditure for motor vehicles on order of £Nil (31 March 2015: £437,000).

The company has provided security for the borrowing facilities of its intermediate parent, TCMC Furniture Limited, by way of a fixed and floating charge over the company's assets. At the period end the related borrowings of TCMC Furniture Limited were £12,100,000 (2015: £Nil).

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

27. Related party transactions

The controlling party is TCMC Furniture Limited. The ultimate controlling party of the group is Thailand Carpet Manufacturing Public Company Limited. There is no ultimate controlling party of Thailand Carpet Manufacturing Public Company Limited.

Prior to 19th June 2015, the controlling party was Alstons Furniture Group Limited and there was not considered to be an ultimate controlling party. From 19 June until 3 September 2015 the controlling party was Alstons Furniture Group Limited, and the ultimate controlling party was Thailand Carpet Manufacturing Public Company Limited.

In the period the company disposed of fixed asset motor vehicles to outgoing directors for proceeds of £133,000. At the date of disposal these assets had a net book value of £146,875. The company gifted to an outgoing director a motor vehicle held as an investment with a net book value at the date of disposal of £25,000.

Prior year related party transactions

During the prior year, there was a group reorganisation to separate the company's Nacton Road investment property from the trading activities. On 3 July 2014 Newco 1003 Limited, a company controlled by David Alston and John Alston, directors and shareholders of Alstons (Upholstery) Limited, acquired the shares in Alstons (Upholstery) Limited by way of a share for share exchange. On that day Newco 1003 Limited acquired the Nacton Road investment property from the company by way of a dividend in specie. On the 5th August 2014 a liquidator was appointed to Newco 1003 Limited to effect a members' voluntary winding up whereby the members determined that:

1. Alstons Furniture Group Limited (formerly Newco 1004 Limited), a company controlled by David and John Alston, acquired the beneficial interest in the shares in Alstons (Upholstery) Limited.
2. Albro Properties Limited (formerly Newco 1005 Limited), a company controlled by David and John Alston, acquired the beneficial interest in Nacton Road investment property.
3. The acquisitions of the shares in Alstons Upholstery Limited and the Nacton Road investment property were effected by way of a demerger agreement between the liquidator of Newco 1003 Limited, Alstons Furniture Group Limited and Albro Properties Limited, under which the latter companies issued shares to the shareholders of Newco 1003 Limited in return for the transfers of the shares and property respectively.

In the prior period the company declared and paid dividends of £5,820,000, of which £470,000 was paid equally to the former directors, D H Alston and J P Alston. £1,850,000 was paid to Alstons Furniture Group Limited. The remaining £3,500,000 was a dividend in specie to Newco 1003 Limited of the Nacton Road investment property.

At 31 March 2015 £4,626 was due from J P Alston and £1,655 was due from D H Alston. There were no outstanding balances at 31 December 2015.

28. Controlling party

The immediate parent company is TCMC Furniture Limited. Alstons (Upholstery) Limited was acquired by TCMC Furniture Limited on 19 June 2015.

At 31 December 2015 the ultimate parent company was Thailand Carpet Manufacturing Public Company Limited, a company incorporated in Thailand and listed on the The Stock Exchange of Thailand, this is the largest group in which the results of the company are consolidated. The financial statements of Thailand Carpet Manufacturing Public Company Limited may be obtained from 238 Viphavadee - Rangsit Road, Sanambin Subdistrict, Donmuang District, Bangkok, 10210 Thailand.

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

The smallest group in which the results of the company are consolidated is that headed by TCMC Furniture Limited, incorporated in England and Wales whose registered office is Albro Works, Gosbecks Roads, Colchester, Essex, CO2 9JU. The consolidated accounts are available to the public and may be obtained from Companies House, Cardiff, CF14 3UZ.

Alstons (Upholstery) Limited

Notes to the financial statements
For the Period Ended 31 December 2015

29. First time adoption of FRS 102

		As previously stated 1 April 2014 £000	Effect of transition 1 April 2014 £000	FRS 102 (as restated) 1 April 2014 £000	As previously stated 31 March 2015 £000	Effect of transition 31 March 2015 £000	FRS 102 (as restated) 31 March 2015 £000
Note							
	Fixed assets	7,882	-	7,882	4,493	-	4,493
	Current assets	8,087	-	8,087	7,432	-	7,432
	Creditors: amounts falling due within one year	(3,549)	(8)	(3,557)	(3,597)	(163)	(3,760)
	Net current assets	4,538	(8)	4,530	3,835	(163)	3,672
	Total assets less current liabilities	12,420	(8)	12,412	8,328	(163)	8,165
	Provisions for liabilities	(72)	-	(72)	(129)	-	(129)
	Net assets	12,348	(8)	12,340	8,199	(163)	8,036
	Capital and reserves	12,348	(8)	12,340	8,199	(163)	8,036

Alstons (Upholstery) Limited

Notes to the financial statements For the Period Ended 31 December 2015

29. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 March 2015 £000	Effect of transition 31 March 2015 £000	FRS 102 (as restated) 31 March 2015 £000
Turnover		28,293	-	28,293
Cost of sales	1	(20,477)	136	(20,341)
		7,816	136	7,952
Distribution expenses		(3,500)	2	(3,498)
Administrative expenses		(3,233)	-	(3,233)
Other operating income		111	-	111
Fair value movement	1	-	(294)	(294)
Operating profit		1,194	(156)	1,038
Income from shares in group undertakings		705	-	705
Interest receivable and similar income		9	-	9
Interest payable and similar charges		(7)	-	(7)
Taxation		(164)	-	(164)
Profit on ordinary activities after taxation and for the financial year		1,737	(156)	1,581

Explanation of changes to previously reported profit and equity:

1 Forward currency contracts

Under previous UK GAAP commitments under forward currency contracts held at the balance sheet date were required to be disclosed in the notes to the financial statements.

FRS102 requires contracts held at the balance sheet date to be recognised on the balance sheet at fair value and accounted for as fair value through profit and loss account. The effect of the transition is to reduce opening profit or loss reserves by £8,228 at the date of transition (1 April 2014), to recognise a creditor of £163,271, and to reduce profit by £155,047 for the year to 31 March 2015.

Alstons (Upholstery) Limited